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SUBJECT: END OF FEED SUBSIDY PROGRAM PROVOKES PROTESTS AND SLIGHT INCREASE IN THE PRICE OF BARLEY

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REF: A) AMMAN 3584
B) AMMAN 3557

(U) As expected, the Government of Jordan (GOJ) announced August 28 the immediate end of its animal feed subsidy program and the liberalization of the trade in barely (Ref A). In place of the feed subsidy, the GOJ instituted a direct assistance program to farmers owning fewer than 500 sheep. GOJ Spokesman Nasser Judeh told the press the new program covers 95 percent of Jordan's livestock farmers, but nevertheless lowers the budget costs from JD 160 million (\$225M) to JD 52M (\$72). The new program compensates farmers according to a sliding scale: farmers owning 200 sheep or less will receive JD 12 (\$16) per head, farmers having 201-300 head of sheep will receive JD 7 (\$10), and farmers with 301-500 sheep will receive 4 JD (\$5.65) per animal. While approximately 1,000 livestock farmers protested the new policy August 30, blocking the road to the airport for several hours, others placed orders for barley at JD 252 (\$355) per metric ton, slightly above the \$340/MT price awarded by the most recent GOJ tender.

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